SUPREME COURT OF THE UNITED STATES.

No. 106.—October Term, 1927.

United States Steel Products Co., Claimant and Owner of S.S. "Steel Trader," et al., Petitioners, *vs.* Donald J. Adams.	On Writ of Certiorari to the United States Circuit Court of Appeals for the Fifth Circuit.

[January 3, 1928.]

Mr. Justice McReynolds delivered the opinion of the Court.

November 29, 1921, at New Orleans, La., respondent Adams signed articles for services as oiler on the "Steel Trader" during a voyage from that city to East Indian Ports and return, at $80 per month. December 12, 1921, after the voyage began and while at Port Arthur, Texas, he was discharged without fault on his part and without his consent. He received before a Shipping Commissioner the wages earned and $80.00 more. The vessel returned to New Orleans May 19, 1922. Thereafter Adams instituted this proceeding in rem wherein he sought to recover as damages the stipulated wages from December 12, 1921, to May 19, 1922, plus $2.50 per day for subsistence. The trial court granted recovery for the amount of such wages ($414.50) less $80.00, with interest from May 19, 1922, 10 Fed. (2d) 248, 250, and the Circuit Court of Appeals affirmed that action, 13 Fed. (2d) 614.

The only matter for our consideration is the proper interpretation and construction of Sec. 4527, U. S. Revised Statutes (Sec. 21, Ch. 322, Act of June 7, 1872, 17 Stat. 266) U. S. C. Title 46, Sec. 594, which follows—

> Any seaman who has signed an agreement and is afterward discharged before the commencement of the voyage or before one month's wages are earned, without fault on his part justifying such discharge, and without his consent, shall be entitled to receive from the master or owner, in addition to any wages he may have earned, a sum equal in amount to

one month's wages as compensation, and may, on adducing evidence satisfactory to the court hearing the case, of having been improperly discharged, recover such compensation as if it were wages duly earned.

Ch. 322, Act of June 7, 1872,—sixty-eight sections—prescribes elaborate regulations concerning employment, wages, treatment and protection of seamen. *Inter-Island Steam Navigation Co.* v. *Byrne*, 239 U. S. 459, 460. Sec. 21 became Sec. 4527, R. S. without material change.

The trial court held that Sec. 4527 applies only to a wrongful discharge before commencement of the voyage. The Circuit Court of Appeals concluded that "the language of R. S. Sec. 4527 is consistent with an intention to treat the amount required to be paid to the wrongfully discharged seaman as compensation for the service already rendered by him"; and that payment thereof does not absolve from liability for breach of the shipping articles.

We think both courts adopted improper views. According to the plain language employed, the section in question applies where the discharge takes place before the commencement of the voyage or before one month's wages are earned. Also we think, in the specified circumstances, payment of wages actually earned, with an additional sum equal to one month's wages, satisfies all liability for breach of the contract of employment by wrongful discharge. The legislation was intended to afford seamen a simple, summary method of establishing and enforcing damages.

Mr. Conger, who reported the bill, which later became the Act of June 7, 1872, for the committee and had charge of it in the House of Representatives, there stated—

> "The bill is substantially the Shipping-Commissioner's Act of England [The British Merchant Shipping Act of 1854] with such changes as have been deemed necessary to adapt it to this country. . . ." Congressional Globe of March 20, 1872, p. 1836.

The Shipping Act of 1854 provides—

> Sec. 167. Any seaman who has signed an agreement, and is afterwards discharged before the commencement of the voyage, or before one month's wages are earned, without fault on his part justifying such discharge and without his consent, shall be entitled to receive from the master or owner, in ad-

dition to any wages he may have earned, due compensation for the damage thereby caused to him, not exceeding one month's wages, and may, on adducing such evidence as the Court hearing the case deems satisfactory of his having been so improperly discharged as aforesaid, recover such compensation as if it were wages duly earned.*

Speaking of Sec. 167 in *Tindle* v. *Davison*, Queen's Bench Div. 1892, 66 L. T. N. S. 372, 374, Wright, J., said:

". . . The meaning of the section is that, when a seaman is improperly discharged, he is to have due compensation up to a month's wages in lieu of his right of action, unless he has earned a month's wages, in which case the section does not apply."

The word *compensation*, in Sec. 4527, distinctly indicates that payment of a sum equal to one month's wages was intended to constitute the remedy for invasion of the seaman's right through breach of his contract of employment in the circumstances specified. "Damages consist in compensation for loss sustained. . . . By the general system of our law, for every invasion of right there is a remedy, and that remedy is *compensation*. This compensation is furnished in the damages which are awarded." Sedgwick's Damages, 9th Edition, Vol. 1, page 24. See also *Bauman* v. *Ross*, 167 U. S. 548. The provision that such sum may be recovered "as if it were wages duly earned" permits the seaman to enforce payment by the special and summary methods provided for collecting his ordinary wages.

In *Calvin* v. *Huntley* (1901) 178 Mass. 29, 32—we think the Supreme Court of Massachusetts properly interpreted Sec. 4527, and in respect of it rightly said—

It speaks not of punishment but of compensation, its object is to protect the seaman from loss rather than to punish the

*Sec. 162, British Merchant Shipping Act of 1894, which corresponds to Sec. 167, Act of 1854 provides:—"If a seaman, having signed an agreement, is discharged otherwise than in accordance with the terms thereof before the commencement of the voyage, or before one month's wages are earned, without fault on his part justifying that discharge, and without his consent, he shall be entitled to receive from the master or owner, in addition to any wages he may have earned, due compensation for the damage caused to him by the discharge not exceeding one month's wages, and may recover that compensation as if it were wages duly earned."

master for discharging him. The remedy is given to the seaman alone, and its plain purpose is to furnish a clear and well defined rule of damages as between him and the master for a breach of contract in which the seaman and the master or owner are the only persons interested. . . .

Nor does the rule of damages seem unreasonable. The shipping contract calls upon the seaman to go to various places, sometimes far from home, and it may be, for instance as in this case was the actual fact, that he may be discharged in a port distant from that where he signed the articles, or where he cannot immediately secure any other employment on board ship or elsewhere, and that in all fairness he should recover more than the amount due him for wages earned. Hence it might be deemed advisable to have this indefinite element made definite by a general law with reference to which the parties may conclusively be presumed to have contracted, and which therefore should be taken to be the law of the contract. The object of the statute is not to punish but to provide a reasonable rule of compensation for a breach of contract. We think the statute not penal but remedial. . . .

The decree of the District Court must be reversed. The cause will be remanded there for further proceedings in conformity with this opinion.

Reversed.

A true copy.

Test:

Clerk, Supreme Court, U. S.